UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, DC 20436

MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 111th Congress ¹

[Date approved: July 15, 2010]²

Bill No. and sponsor: S. 2431 (Mr. Sam Brownback of Kansas).

Proponent name, ³ **location:** Payless ShoeSource, Inc., Topeka, KS.

Other bills on product (111th Congress only): None.

Nature of bill: Extension of temporary duty reduction through December 31, 2011.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Other footwear with uppers of vegetable fibers, for men (provided for in subheading 6405.20.30).

Check one:	X	Same as that in bill as introduced.					
		Different from that in bill as introduced (see Technical comments section)					

Product information, including uses/applications and source(s) of imports:

The subject goods include a variety of miscellaneous men's footwear with uppers of vegetable fibers, which are imported under statistical reporting number 6405.20.3030.⁴

U.S. imports of such footwear under the duty reduction provision in effect through the end of 2009 totaled \$28.7 million in 2008 and \$42.2 million in January–September 2009. China was the leading supplier of the subject footwear imports. Dutiable U.S. imports under statistical reporting number 6405.20.3030 totaled just over \$68 million in 2009, with China providing about \$67.3 million of those imports. Thus far in 2010, dutiable imports have reached approximately \$58.4 million, and China accounted for about \$57.7 million of these shipments.

Industry analyst preparing report: Kimberlie Freund (202-708-5402); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff affairs/congress reports/.

³ The sponsor/proponent indicated that the bill is reasonably expected to benefit more than ten firms, but did not provide any named beneficiaries.

⁴ The general rate of duty on this footwear was reduced to 4.5 percent ad valorem through the end of 2009 under HTS heading 9902.13.91.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 6405.20.30:

\searrow	2010	2011	2012	2013	2014
Col. 1-General rate of duty	7.5%	7.5%	7.5%	7.5%	7.5%
Estimated value dutiable imports ^a	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000
Customs revenue loss b	\$1,950,000	\$1,950,000	\$1,950,000	\$1,950,000	\$1,950,000

<u>a/</u> Dutiable import estimates were based on official U.S. Government statistics and industry information. <u>b/</u> At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Data presented in this table reflect the reduction of the general duty rate from 7.5% ad valorem to 4.5% ad valorem, representing a reduction of 3 percentage points.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date	Claim US	Submission	Opposition	
	contacted	makes same	attached?	noted?	
		or competing			
		product(s)?			
		(Yes/No)			
Payless ShoeSource, Inc. (Proponent)					
Curtis Sneden, curtis-sneden@payless.com	11/30/2009	No	No	No	
American Apparel and Footwear Association					
Nate Herman, nherman@apparelandfootwear.org	11/30/2009	No	No	No	
Footwear Distributors and Retailers of America					
Matt Priest, mpriest@frdr.org	11/30/2009	No	No	No	
Rubber and Plastic Footwear Manufacturers					
Mitch Cooper, mic12311@verizon.net	11/30/2009	No	No	No	

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None.

The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.



111TH CONGRESS 1ST SESSION

S. 2431

To extend the temporary suspension of duty on certain men's footwear.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. Brownback introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To extend the temporary suspension of duty on certain men's footwear.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. CERTAIN MEN'S FOOTWEAR.
- 4 (a) In General.—Heading 9902.13.91 of the Har-
- 5 monized Tariff Schedule of the United States (relating to
- 6 certain men's footwear) is amended by striking "12/31/
- 7 2009" and inserting "12/31/2011".
- 8 (b) Effective Date.—The amendment made by
- 9 subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

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